

DEPARTMENT OF DEFENSE BLOGGERS ROUNDTABLE WITH GENERAL MICHAEL J. WALSH,
COMMANDING GENERAL, U.S. ARMY CORPS OF ENGINEERS, GULF REGION DIVISION, BAGHDAD,
VIA TELECONFERENCE FROM IRAQ TOPIC: THE STATUS OF ELECTRICITY IN IRAQ TIME:
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CHARLES "JACK" HOLT (chief, New Media Operations, OASD PA): Brigadier
General Michael J. Walsh, commanding general of the Gulf Region Division, U.S.
Army Corps of Engineers, from Baghdad, Iraq, with us on the Bloggers Roundtable
this morning. And welcome aboard, General. And do you have an opening
statement for us?

GEN. WALSH: Yeah, just a couple of quick comments. It's -- again, I
think I've talked with a lot of you guys in the past six weeks. It's good to
keep in contact. I think we'll talk a little bit about electrical this week.
You saw some stuff in The New York Times and Newsweek and others.

Some of the things I did want to talk about, but -- since the first
time since really 2001, even before we came here, we got the four thermal
turbine generators at Doura power plant up in Baghdad running -- first time
we've had all four of them running. And you guys have been to Baghdad and see
the four stacks that are part of the skyline here. You'll see smoke coming out
of all four of them. So we're pretty pumped about that.

Down in Musayyib, we're working on 10 turbine generators that should be
turning over, and that will add another 400 megawatts to the Baghdad grid. We
should be getting those turned over probably before the end of the year. We
should have four of those operational in the next two months.

We've completed -- (off mike) -- 500 electrical projects since we've
been here in 2003 and about -- I think it's more than that. That number's not
correct.

But one of the things that I talked with General Petraeus about earlier
is, during the month of August we have hit 13 days where we've exceeded 5,000
megawatts. And just yesterday we executed 5,423 megawatts. That was the most
that's been generated, peak, since we've been here. So we're pretty pumped
about that as well.

As I've told you guys before, the World Bank estimated that it would
take about \$80 billion to bring the infrastructure in Iraq up to speed, and the
Ministry of Finance now says it's 100 (billion dollars) to 150 billion
(dollars). And the U.S. taxpayer has brought 20 billion (dollars) into Iraq.

And so our intent has always been just to jump-start and stabilize Iraq, and then the ministers are supposed to take over the difference between the 20 billion (dollars) and the 80 billion (dollars), picking it up with Iraqi funds or with donor nations. And they're working hard and trying to figure out how to execute that. Last year, as you know, they only executed about 23 percent of their capital budget. I think I was told just before I came in here that so far they've executed about 30 percent of their capital budget, so they've met their goal from -- or they've beaten their intent from last year already.

With that as my opening remarks, I'm open for questions.

MR. HOLT: All right, sir, thank you very much.

Andrew Lubin, you were first online. Why don't you go start?

Q General, Andrew Lubin. Good to talk to you again, sir.

GEN. WALSH: Hey, how you doing, Andrew? Things are going all right with the Marines, as usual.

Q As always, sir, and I'm going to surprise you. I'm not going to ask about Anbar province today. So if -- we're going to let Dave Dilegge or some other -- one of the Marines down at Quantico take care of that.

But General, got a copy of yesterday's New York Times article; I'm sure you've seen it also. It talks about how, I'm quoting here, "the often isolated" -- you know, the switching stations are abandoned at night and easily manipulated by whatever group controls the area. If things are that bad, why isn't somebody screaming to General Petraeus or General Mixon or somebody to get the stations guarded? I mean, you guys are doing a great job getting these things up and running, and then the Iraqis are dropping the ball again, I guess. Why aren't we taking more -- (off mike) -- control?

GEN. WALSH: Yeah, it's -- as you can imagine, it's a lot more complex than that, and where you have the control stations -- there's a lot of them here in Baghdad. And frankly what the provinces are looking at is they want to keep more power. For instance down in Basra, they had about 22 hours of power. And they were supposed to switch over the power so they can share more with Baghdad, and the local Iraqi province does not want to throw the switches. Some of the difficulties that Minister Karim is having -- when he orders his people to throw the switches, they're being intimidated not to do that. Problem is if we do put somebody down there with weapons to guard those guys, you know, there's still the threats to their families, and then there's also the concern, excuse me, of them isolating themselves by taking the -- blowing the towers up.

But it's pretty complex. It's a little bit more than just putting a guy with a squad down there with a weapon.

Q Then is this the first step towards the fragmentation of the country if they're not sharing power or they won't cooperate with the government of Iraq?

GEN. WALSH: Well, I've heard that before. I don't think it's that in -- as you know, it's more of -- I met -- you know, I got 20 hours, and why do I want to share with you? Baghdad, as you know with the former regime, had 22 to 24 hours of power, and Saddam Hussein made sure it didn't go down to Basra except for maybe two to four hours a day. So they're playing the other side of

the game as, you know, for years, Baghdad was taken care of and we weren't, and now we want a piece of it.

Dr. Karim's -- part of Dr. Karim -- the Ministry of Electricity's position yesterday was -- went out not only to the Western press but also the Arabic press, that what he's trying to do is caution the provincial governors that if they take more than their share, it's going to have more of an influence on the electrical machinery, because the system will go out of balance and turn the generators off, and then nobody will have power. So one of his purposes was to go out there and remind the provincial governors that they need to share power, otherwise it's going to be difficult to keep all the systems on for everybody.

Q Okay, thank you.

MR. HOLT: And Dave Dilegge.

Q Yeah. Hi, General Walsh. Dave Dilegge here, Small Wars Journal. In your opening statement, you were talking about how you set a new record as far as the output in megawatts. Could you break it down a little bit on hours per day, say, you know, in Baghdad and then in some of the provinces?

Thank you.

GEN. WALSH: Right. Thank you. The goal for the Americans that we set for ourselves back in 2004 was to bring the country to an average of 12 hours of power. The country has an average of 13 hours of power right now, with, as I mentioned earlier -- Basra has 22 hours of power, but Baghdad has eight to 10 hours of power. And so I guess that's the answer to your question is eight to 10 hours of power in Baghdad. And, frankly, the 10 hours of power in Baghdad is a heck of a lot more than when I got here back in October of last year; it was getting about four to six hours of power, so we've really been able to work with Minister Karim and influence that.

MR. HOLT: And Grim from Blackfive.

Q Hey. This is Grim of Blackfive.net. I'd like to ask you more about your contacts at the ministerial level.

It's easy to look at this from an American perspective. From the Iraqi perspective, are they encouraged by the progress that you're having? Are they bothered by the shutting down of -- or the failure to throw the switches in Basra or whatever, or are they feeling like things are coming along?

GEN. WALSH: The local Iraqis or the minister?

Q I'm thinking more about the ministers at the -- or the people who are in the central government. Do they feel like progress is being made, or are they disturbed increasingly, or can you give us a sense of how it looks from their perspective?

GEN. WALSH: I work with Minister Karim and I see him two or three times a week, and he's confident that he's doing well for the country. And he's looking to get to 6,000 megawatts this year, and I think he'll get there. But I mean every day it's a problem and setback in regards to, as I mentioned, the provincial governments not switching when they ought to. There's a shortage of diesel in the country. So every day there's something to be concerned about.

But he comes in optimistic going to work. He's got about 80,000 employees across the country, and they're running the systems as best they can with where we're at.

Now, in regards to the people of Iraq, you know, until you get 24 hours of power, you're not going to be happy.

Q Fair enough. Thank you.

MR. HOLT: All right. And Jason Sigur (sp).

Q Thanks. I guess I'm also looking at the New York Times article and also at an article in the Washington Monthly's post. It was talking about the Brookings Institute's (sic/Institution's) index. It was observing that there's been practically no change from a year ago in the overall level of electricity provided through the infrastructure. I was running out of questions, so I just wondered if you'd comment about that, the Brookings Institute's (sic/Institution's) index showing practically no change from last summer to this summer.

GEN. WALSH: Yeah, last summer we had pretty good access to diesel fuel. This summer Minister Karim does not. And I think that if we had the same amount of access to diesel fuel that we had last year, we'd be over 6,000 megawatts. There's been a lot of work done to the generators and the turbines, and the key item right now is to get diesel delivered from Kuwait.

And we've been working with the Ministry of Oil and the Ministry of Electricity, with our ambassador and the U.S. ambassador to Kuwait to get everybody in the room to agree on getting contracted diesel in from Kuwait soon.

Q Great. Thanks very much.

MR. HOLT: Bruce McQuain.

Q Well, I hope this gets through. I'm -- (laughs) -- I'm out on the road between Atlanta and Birmingham, and apparently we can keep a hookup with Baghdad, but we can't keep one between those two cities, so hopefully you haven't covered this. General, I was wondering about the infrastructure per se, the electricity infrastructure -- is that infrastructure in place to do 24 hours of electricity, or is that also part of what we -- what you're working on?

GEN. WALSH: No, they don't have enough generation capacity in this country for 24 hours of power. As you may know, electricity is really three different parts: It's generation, it's transmission and distribution. We've been putting our \$4 billion into the transmission and distribution systems and also into -- in the generation.

But Minister Karim will have to continue putting funds into his system, and he thinks he can get to 24 hours of power in 2010, and that may slip to about 2013. But it'll be a number of years before we can bring -- before he can bring enough generators into the country to get back to 24 hours of power.

Q Thank you.

GEN. WALSH: But again, you just need to understand that the country never did have 24 hours of power.

Q Right.

GEN. WALSH: So that's hard from the Western -- a Western world, when we're so used to it, and not having 24 hours of power is something that -- you know, that we wouldn't accept in the United States, where in many countries around the world, it's a normal occurrence.

And many of you guys remember back in California, back in the late '90s, we were trying to get power into California from Washington, Utah, Oregon. If you remember, the governors in those days didn't want to share their power and let it out of their states and give it to California, and California had their rolling blackouts. You know, in keeping so that the political discussions of keeping power in your particular province, you know, just reminds me back to -- you know, to the issues that we dealt with in our own country in the late '90s.

MR. HOLT: All right. Did anyone else join us that hasn't been on yet?

Q Jarred Fishman is on, sir.

MR. HOLT: Okay. Yeah, Jarred, go ahead.

Q Great. Thank you for your time, General. Can you talk to what the possible solutions to these problems are going to be in the next year? I mean, we hear the same thing this year as we heard last year as the last year; I mean, we keep making improvements, but the Iraqis can't actually get their act together to get things on the same page. So what's going to change in the next six to nine months, where we can actually start to see this progress?

GEN. WALSH: Well, I think from a(n) electrical generation system, we've been doing more and more maintenance on the older systems and turning them around, and over the next couple of months, we'll be bringing some rotors in that we sent overseas to get fixed. They'll be coming in, and we'll put them back in place in Quds. There's two more generators on the Jordanian border right now that we should get installed in the January-February timeframe, so that'll all add generation power.

I guess the question where you're going to is, how are they going to fix the diesel problem, and are they going to be able to get diesel in from Kuwait? And I know that the Ministry of Finance planning and -- has been working with Ministry of Oil and Ministry of Electricity to work those particular items, but I can tell you, General Petraeus and Ambassador Crocker have been working with the prime minister to help push down any of the bureaucratic issues that are in place.

MR. HOLT: All right, sir. Any follow-up questions? Anyone else?

Q Yeah, I have one. Yeah, General, Andrew Lubin again. Since the Iraqi government doesn't seem to be able to spend the money that they've allocated for anything, why aren't they getting diesel in from Kuwait? Are the Kuwaitis refusing to sell it or is it a lack of Iraqi funds?

GEN. WALSH: Well, it was a contract dispute from last year. And the Kuwaitis who were sending some diesel in from the Ministry of Oil -- and the transport trucks got stuck at the border for an extended period of time. And then the Kuwaiti government and the Iraqi government got into an argument on who should pay for the demurrage, the hold charges for those tanker trucks down in

the border. Ministry of oil and ministry of -- and the prime minister has been working with the Kuwaiti petroleum company, and we're past that piece now. And about three weeks ago, there were -- 100 trucks of kerosene came in, and they finished up paying, in arrears, the '06 contracts, and now they're starting the '07.

Q Great, thank you.

MR. HOLT: All right, anyone else?

All right, General Walsh, thank you very much for joining us today, and always interesting to talk to you -- a lot of things happening out there, especially in the electrical sector. Do you have any final comments for us?

GEN. WALSH: No, I just wanted to thank you all for taking time to call in and talk to me about this. It's something, at least from an engineer's perspective -- (off mike) -- told you all before, I went to Brooklyn Technical High School back when I was 16, and I knew what I wanted to do back then. And being an engineer that's involved with rebuilding the entire infrastructure of a country -- there's no better place for an engineer to be than right here. And I'm excited, working alongside my engineer partners from the government of Iraq, helping to put this country back together.

Thank you all.

MR. HOLT: All right, thank you very much, sir. It's always good to talk with you, and hopefully we can speak again soon. Brigadier General Michael J. Walsh, commanding general for the Gulf Region Division, U.S. Army Corps of Engineers, thank you very much.

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